

Permanent Fund Dividend Computer Replacement Project- Phase 3 **FY2008 Request: \$117,000**
Reference No: 42933

AP/AL: Appropriation **Project Type:** Information Systems
Category: Permanent Fund Dividends
Location: Statewide **Contact:** Jerry Burnett
House District: Statewide **Contact Phone:** (907)465-2312
Estimated Project Dates: 07/01/2007 - 06/30/2012

Brief Summary and Statement of Need:

This request funds the third year of the PFD replacement project for desktop computers, printers, servers, and other office support equipment. The replacement cycle is based on the warranty and expected useful life of each type of equipment. Replacing worn out and obsolete mission critical equipment on a planned life-cycle basis facilitates maximum employee productivity on a day-to-day basis, and enables the success of cost saving and programmatic goals related to PFD Performance Management targets to increase staff efficiency and effectiveness; eliminate process bottlenecks; reduce operational costs; reduce fraud; promote customer service and respect; and prepare for the future.

| Funding: | FY2008 | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | Total |
|-----------------|-----------|-----------|-----------|-----------|-----------|--------|-----------|
| PFD Fund | \$117,000 | \$125,000 | \$125,000 | \$125,000 | \$125,000 | | \$617,000 |
| Total: | \$117,000 | \$125,000 | \$125,000 | \$125,000 | \$125,000 | \$0 | \$617,000 |

| | | | | |
|---|---|---------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> State Match Required | <input type="checkbox"/> One-Time Project | <input type="checkbox"/> Phased - new | <input checked="" type="checkbox"/> Phased - underway | <input type="checkbox"/> On-Going |
| 0% = Minimum State Match % Required | | <input type="checkbox"/> Amendment | <input type="checkbox"/> Mental Health Bill | |

Operating & Maintenance Costs:

| | <u>Amount</u> | <u>Staff</u> |
|----------------------|---------------|--------------|
| Project Development: | 0 | 0 |
| Ongoing Operating: | 0 | 0 |
| One-Time Startup: | 0 | 0 |
| Totals: | 0 | 0 |

Additional Information / Prior Funding History:

\$117.0 PFD Fund - FY06; \$125.0 PFD Fund - FY07

Project Description/Justification:

Information Technology Capital Project Review Form FY2008

1. Has this project been previously approved?

The second year of this project was approved in FY2007.

2. What is the purpose of the project?

This request funds the third year of the PFD replacement project for desktop computers, printers, servers, and other office support equipment. The replacement cycle is based on the warranty and expected useful life of each type of equipment. Replacing worn out and obsolete mission critical equipment on a planned life-cycle basis facilitates maximum employee productivity on a day-to-day basis, and enables the success of cost saving and programmatic goals related to PFD Performance Management targets (increase staff efficiency/effectiveness; eliminate process bottlenecks; reduce operational costs; reduce fraud; promote customer service/respect; prepare for the future).

**Permanent Fund Dividend Computer Replacement Project-
Phase 3**

**FY2008 Request:
Reference No:**

**\$117,000
42933**

| Project cost: | Capital: | | | Annual O&M costs or savings |
|--------------------------------------|-------------|---------|---------|-----------------------------|
| | Prior Years | FY 2007 | FY 2008 | |
| General Funds | | | | |
| General Fund Match | | | | |
| General Fund Program Receipts | | | | |
| I/A Receipts (dept. and fund source) | | | | |
| Other Funds 1050 PFD Fund | 117,000 | 125,000 | 117,000 | |
| Federal Funds | | | | |
| Total | | | | |

3. Is this a new systems development project?

No

Upgrade or enhancement to existing department capabilities?

No, this project replaces existing equipment.

4. Specifically, what hardware, software, consulting services, or other items will be purchased with this expenditure? (Include a line item breakdown.)

LINE 75000 Equipment:

| | 2008 | 2009 | 2010 | 2011 |
|----------------------|----------|----------|----------|----------|
| Desktops | \$ 40.5 | \$ 42.0 | \$ 52.0 | \$ 13.0 |
| Laptops | \$ 2.0 | | \$ 4.0 | |
| Printers | \$ 4.0 | \$ 12.0 | \$ 24.0 | \$ 12.0 |
| Scanners | \$ 22.0 | \$ 30.0 | \$ 45.0 | \$ 45.0 |
| Copiers | | \$ 15.3 | | \$ 41.5 |
| Fax | \$ 1.1 | | | |
| Miscellaneous | \$ 47.4 | \$ 25.7 | | \$ 13.5 |
| Total | \$ 117.0 | \$ 125.0 | \$ 125.0 | \$ 125.0 |

5. How will service to the public measurably improve if this project is funded?

Reliable electronic equipment is essential to the division's mission of administering the Permanent Fund Dividend program. Using reliable electronic equipment is the only way the division can accurately process 635,000 PFD applications each year at current funding and staffing levels, and increased use of electronic equipment is the key to achieving all 2008 Performance Management End Results and most of the associated performance targets (see 2008 Operating Budget detail). This equipment facilitates productivity of staff, reduced print and mail costs and costs of mainframe processing, and assures the availability of timely and accurate information to the public and state decision makers.

6. Does project affect the way in which other public agencies will conduct their business?

No

7. What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

None

8. What will happen if the project is not approved?

The alternative is to continue maintaining older computer equipment. The cost of servicing existing older computer equipment is generally more expensive than replacing the equipment. There may be an inability to provide new

Permanent Fund Dividend Computer Replacement Project- Phase 3 **FY2008 Request: \$117,000**
Reference No: 42933

functionality due to older hardware limitations. Staff productivity may be negatively impacted by delays due to inoperative equipment, and service to constituents may also be affected.